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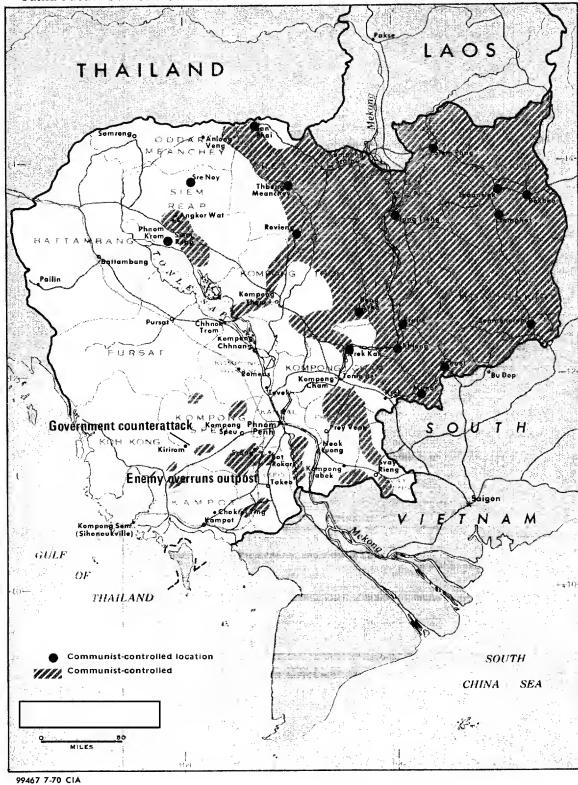
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Cambodia: Current Situation



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Cambodia: The fight for Kirirom continues to dominate the military situation.

The four government battalions that withdrew from Kirirom regrouped south of the town near Route 4 yesterday and reportedly have been joined by three more battalions. The reinforcements included some Khmer Krom troops, which were rushed from Phnom Penh. A counterattack apparently has been launched to retake Kirirom, but a Cambodian officer participating in the operation told the press it would be "very difficult" to do so. Although the Cambodians do not attach any strategic value to Kirirom, holding it probably has become a point of military honor.

South of Phnom Penh, two government battalions withdrew from their position at Bat Rokar in Takeo Province, following an attack by an estimated 800 Communist troops. No air support was available to help defend the position. In the west, Cambodian Army positions in and near Siem Reap city were again harassed by enemy fire on 29 July. The Communists reportedly also put the airport under mortar fire, closing it to traffic.

More Complaints About Saigon's Soldiers

Anti-South Vietnamese sentiments in Cambodia show no signs of diminishing. A Cambodian student leader in Phnom Penh has told US Embassy officers that students are becoming increasingly upset over reports of looting and pillaging by South Vietnamese Army (ARVN) troops. Some students apparently have spoken of driving ARVN forces out of Cambodia even

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Arab States: The disagreement between Egypt and the fedayeen appears to be deepening.

A guerrilla spokesman in Amman yesterday characterized Cairo's closure of two Palestinian radiobroadcasting outlets as the first shot to be fired against the fedayeen by the Egyptians and a signal for an attempt to liquidate the Palestinian resistance movement. His organization declared that fedayeen groups now have complete freedom to adopt independent policies. For their part, Egyptian authorities reportedly now are requiring visas for all Arabs traveling to Cairo.

As a stopgap measure to compensate for the loss of the Cairo transmitter, Fatah claims it has begun broadcasts from a low-powered transmitter, apparently in Baghdad. Press reports indicate that more permanent and powerful facilities are being sought in Syria and Iraq.

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Yugoslavia: The authorities are still wrestling with the problem of achieving a better nationalities balance in the officer corps of the armed forces.

This problem was raised in a critical article published last month in Croatia. Last weekend, speaking to a conference of reserve officers in Zagreb, a prominent federal party official, Mika Tripalo, labeled the present makeup of the officer cadre as "unsatisfactory." He noted that, despite official efforts, it is still predominantly Serb and Montenegrin, and he suggested a long-term program to begin correcting the problem by encouraging young people, other than Serbs and Montenegrins, to enroll in military schools.

Yugoslav leaders are banking on the armed forces to play a stabilizing role in the period after Tito is no longer at the helm. They wish to improve the balance of nationalities in the officer corps in order to prevent one group or another from taking advantage of the instability of the immediate post-Tito era.

There are constraints on the government's ability to redress the imbalance, however. To the economically well-off Slovenes and Croats, a low-paying career in the military holds little or no attraction. Among other economically depressed minorities, such as the Albanians, resentment of past injustices and Belgrade's suspicion of their loyalty tend to hold down recruiting.

Tripalo's speech implies that federal authorities have little hope for a short-term solution and may be studying longer-range possibilities. At the same time it conveys a sense of concern on the federal level, apparently intended to mollify the minority critics.

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El Salvador - Honduras: The OAS observer force is beginning to move ahead in establishing a demilitarized zone.

The Argentine general who commands the 30-man observer force told US Ambassador Ryan in Honduras that he was satisfied with progress thus far, although each side remains distrustful of the other. Salvadoran and Honduran forces have been pulled back from the zone in the southern sector near the Gulf of Fonseca, and efforts now are concentrated on clearing the northwest section.

The two countries have not yet established direct communication with each other or reactivated postal service, and the OAS continues to serve as the sole communication channel. Despite these bureaucratic delays, the observer force is encouraged by the absence of shooting incidents since the death of an OAS observer on 30 June and by the quiet observances in both countries of the anniversary on 14 July of the 1969 war.

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Morocco: Following their futile campaign against last week's constitutional referendum, the two principal opposition parties are taking a new initiative. The conservative Istiqlal and the moderate wing of the leftist National Union of Popular Forces (UNFP) have announced the formation of a "national front." The two parties intend to retain their autonomy but will pool their efforts in preparation for the parliamentary elections on 21 and 28 August. The government, however, may not permit candidates to campaign under any party label. Meanwhile, extremist members of the exile faction of the UNFP are reported to have formed a "Moroccan Revolutionary Party" in France, dedicated to the overthrow of the monarchy.

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Venezuela: Government officials are apprehensive that today's student demonstration may become violent. The students are protesting the university reform bill now before congress. Student leaders would prefer to keep the protest peaceful so as not to prejudice their cause, but the issue is popular

and they may not be able to control the demonstration.

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Ecuador: Defense Minister Jorge Acosta has emerged as the strongman in Velasco's cabinet with the resignation of the minister of government. Acosta is a nephew of the President and until recently had been competing for influence with the ministers of finance and government, both of whom have now left the cabinet. The participation and growing influence of the armed forces will probably be a salient feature of the regime. The hitherto autonomous Guayaquil port authority has already been

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subordinated to the navy.

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Bolivia: The sale of Bolivian tin to the USSR, which has been hailed as a progressive step in President Ovando's "revolution," apparently will be facilitated by short-term financing from two US banks with branches in La Paz. Following the signing of the Bolivian-Soviet tin contract last month, the banks requested US Embassy advice about their projected involvement in facilitating Bolivian exports to the Soviet Union. The Bank of America is seeking authorization from the finance minister to act as the intermediary in obtaining payment for the tin exports, and a second US bank has been approached to help finance the operation of a tin smelter that will produce exclusively for the Soviet market.

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Ghana: Prime Minister Busia's government has decided that a president should be elected soon to replace the interim Presidential Commission, the successor to the junta that governed Ghana from after Nkrumah's overthrow until the return to civilian rule last year. The president is to be elected by members of the national assembly and by regional chiefs. Constitutionally, the president is largely a ceremonial figure with limited powers, but an elected chief of state can be expected to play a more significant political role than the Presidential Commission, which has been virtually inactive since its creation.

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